

Minutes of the Regular Work Session of the
Board of Mayor and Aldermen, City of Kingsport, Tennessee
Monday, June 6, 2011, 4:30 PM
Council Room – City Hall

PRESENT: Board of Mayor and Aldermen

Mayor Dennis R. Phillips

Alderman Valerie Joh

Vice-Mayor Benjamin K. Mallicote

Alderman C. K. Marsh, Jr.

Alderman Larry A. Munsey

Alderman Jantry Shupe

City Administration

John G. Campbell, City Manager

J. Michael Billingsley, City Attorney

James H. Demming, City Recorder

1. **CALL TO ORDER:** 4:40 p.m. by Mayor Phillips.
2. **ROLL CALL:** By Deputy City Recorder Angie Marshall. Absent: Alderman Tom C. Parham. Incoming Alderman Tom Segelhorst was also present.

At this time, Mayor Phillips recognized Jeannie Bourne, who showed the Board members a crank radio she had purchased from Amazon.com for \$50 and encouraged everyone to include one in a home emergency kit. Mayor Phillips asked Community and Government Relations Director Tim Whaley to look into purchasing some of these radios that would be available for citizens to buy at city hall. The Mayor also recognized boy scouts Charlie and Sam Compton, who were attending the work session in an effort to earn their citizen and community merit badge.

3. **WORK SESSION TICKLER.** Public Works Director Ryan McReynolds confirmed for Mayor Phillips that the Netherland Inn Bumpout project would begin on July 5th. Mr. McReynolds also gave an update, including a slide presentation, on the Netherland Inn Roundabout project.. Assistant to the City Manager Chris McCartt gave an update on the progress and revised budget numbers of the Aquatic Center. There was considerable discussion on the *bid process* and the time involved, resulting in increased prices. Mayor Phillips questioned what could be done differently regarding bond issuance and participation, requesting a future discussion. Vice-Mayor Mallicote presented an update on the Fire Department Committee, noting the final report is still unavailable, but if adopted, could have a significant budgetary impact. Mr. Mallicote voiced his concern with moving forward in the budget process without knowing the final recommendation. City Manager Campbell stated the worst case scenario on the budget would be about \$140,000. Alderman Joh commented that King College would be putting the medical school in Abingdon, Virginia. Mayor Phillips commented that Judge McLellan would swear in the new board members.

4. **REVIEW OF AGENDA ITEMS ON THE JUNE 7, 2011 REGULAR BUSINESS MEETING AGENDA.** City Manager Campbell, members of staff and community members provided a summary or presentation for each item on the proposed agenda. Those items the Board discussed at greater length or which received specific questions or concerns included:

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VI.AA.1 Public Hearing and Consideration of an Ordinance to Adopt the FY11-12 Budget (AF: 134-2011). City Manager Campbell noted the budget was prepared by Budget Director Judy Smith with input from the previous meetings. Vice-Mayor Mallicote questioned why the cost of the bridge retirement has not been addressed since January, even though he had requested this issue be looked at in this budget. Mr. Campbell stated staff has looked at it in general and it is on the list for the future action, but did not pursue the details for this particular budget.

VI.AA.2 Public Hearing and Consideration of an Ordinance to Adopt the FY11-12 Water Fund Budget (AF: 135-2011). Public Works Director Ryan McReynolds stated he would be working with the Board members' calendars to set up a meeting in the near future at the water building to discuss the components of the master plan.

VI.AA.3 Public Hearing and Consideration of an Ordinance to Adopt the FY11-12 Sewer Fund Budget (AF: 136-2011). City Manager Campbell pointed out there would not be a rate increase for residents inside the city and only a 5% increase for residents outside the city, noting this amount was still under what many other governments charge and there were not very many outside customers.

VI.B.1 Consideration of an Ordinance Accepting the Staffing for Adequate Fire and Emergency Response (SAFER) Grant from the U.S. Department of Homeland Security (AF: 88-2011). City Manager Campbell pointed out that this grant paid the salaries for six fire fighters for two years and the City would begin paying on the third year.

VI.B.5 Consideration of an Ordinance Amending Imposition of Court Costs in Certain Cases (AF: 145-2011). City Manager Campbell gave details on the recent change in legislation regarding court fees for red light camera generated tickets and when they could be assessed in regards to the turning right on red violation. He further described some of the issues that will be addressed to compensate for the shortage in revenues. Some discussion ensued.

VI.D.2 Consideration of a Resolution Awarding the Bid for the Purchase of One Bucket Truck to Smoky Mountain Truck Center (AF: 142-2011). Public Works Director Ryan McReynolds confirmed for Alderman Marsh that although this was a replacement vehicle, the old one would still be used for other activities. Mayor Phillips mentioned he would like to move forward with Procurement Manager Sandy Crawford to implement a new bidding process model that would benefit local bidders.

VI.D.9 Consideration of a Resolution to Authorize Withdrawal from the Tennessee Consolidated Retirement System (AF: 115-2011). City Manager Campbell provided details on this item, noting it was at the request of some of the Board members after being discussed this time last year. He pointed out that TCRS must be notified a year ahead of time of the City's intent to withdraw in order to pursue this option. Current employees would not be affected, only new hires. Mr. Campbell also pointed out the state treasurer has made comments that the State of Tennessee may also be considering withdrawing as well and

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moving to a 401K system. There was considerable discussion on this issue. There was also a question as to whether a 2/3 vote or a majority vote would be needed to back out if desired. Vice-Mayor Mallicote voiced concerns regarding not having enough data at the start of this process to make an informed decision, noting the case should not be made after the fact. He emphasized the supporting argument should be made now before the City got too far into the process. Alderman Shupe commented on the relationship of TCRS and the bridge proposal. Alderman Munsey expressed concerns that this issue had not been discussed with the Audit Committee. Mayor Phillips pointed out that if the vote fails, this issue must be put off for another year and further stated that City employees were the single most important asset and the Board needs to make the best decision for the taxpayers. He also stated the presentations should be more informative and easier to understand than the last time.


VII.5 Consideration of a Resolution to Authorize the City Recorder to Reconcile and Adjust Uncollectible Property Tax for Year 2000 (AF: 123-2011). This item was pulled from the agenda until Attorney Joe May could be present.

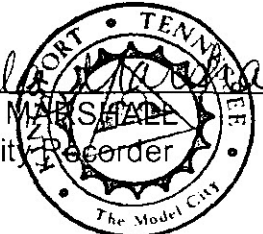
VII.6 Approve Issuance of Certificates of Compliance for Businesses to Sell Retail Alcoholic Beverages (AF: 124-2011). City Recorder Demming stated these certificates were required by the state to be renewed every two years. Of the nine package stores, six are renewed in a group on year and three in another group the next year. Mayor Phillips pointed out that he owned the building where Kelley's Package Store was located and was advised by City Attorney Billingsley to consider abstaining from voting on this item tomorrow.

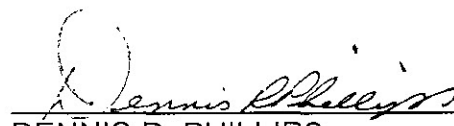
BOARD COMMENT. Alderman Joh stated there was continued interest from people wanting to carve for the carousel project, noting the great investment of time and money. Mayor Phillips voiced a concern that there needs to be more contact with the school system, after reading some articles in the newspaper. He requested the City Manager ask Board of Education members to attend the next work session to clarify certain issues and keep in touch with current events.

PUBLIC COMMENT. None.

5. ADJOURN. Seeing no other matters presented for discussion at this work session, Mayor Phillips adjourned the meeting at 6:25 p.m.


ANGELA MARSHALL
Deputy City Recorder




DENNIS R. PHILLIPS
Mayor